



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office
82 East Dogwood
Moab, Utah 84532

FEB 13 2002

RECEIVED

FEB 20 2002

**DIVISION OF
OIL, GAS AND MINING**

3809

UTU-78692

(UT-062)

Eugene Tuttle, President
Natural Organic Fertilizer, Inc.
1409 Lubbock Highway, Suite 7
Lamesa, Texas 79331

Re: Notice of Intention to Commence Small Mining Operations (UTU-78692), Sam #116 Mine

We received your notice to commence mining operations on lands administered by the Bureau of Land Management (BLM), Moab Field Office on November 27, 2000. The lands included in the Sam #16 Mine are located in SE 1/4 SE 1/4 sec. 9, T. 19S., R. 25 E., SLM and involve a surface disturbance of approximately 4.7 acres. Inspection of the project area indicates that no mining activity has been conducted.

Access would be by an existing road which is eight feet wide and 3,000 feet long that you propose to blade to a width of 12 feet for the entire length. Doing so will increase the total surface area disturbance by 0.275 acres. You may need approval from the School and Institutional Trust Land Administration prior to making improvements to the road as it passes through their lands in sec. 16.

As stated in your notice, humates would be mined from the project area by pit excavation, utilizing a dozer and track hoe, and transported to private land for processing of gold and silver. After removal of gold and silver the humates would be transported to Texas where the material would be utilized in agriculture as a soil additive.

You are advised that the position of the BLM is that humates are to be disposed of as a type of stone under the Materials Act of July 31, 1947, as amended. Although the gold and silver allegedly contained in the humates are subject to location under the mining laws, after these minerals are removed from the humates through processing, the humates become the property of the United States and could only be disposed by the BLM through a material sale contract. The humates may not be removed off-site for purposes not related to the development of the locatable minerals. Therefore, your proposal for transporting the humates to Texas is not considered a legitimate use under the mining laws.

If you proceed with the operations stated in your notice, the BLM may examine the subject deposit to prepare a formal mineral report to determine if the material is locatable. Upon a determination that the mineral deposit is not locatable, a contest complaint will be issued. You are further advised that if a final determination by the Department of Interior is made that this material is, in fact, not locatable, you could be responsible to the United States for the value of this material, damage to the land, and administrative costs of recovering such compensation.

Any mining operations associated with your notice will be conducted according to the following provisions to avoid unnecessary or undue degradation of public lands:

- 1) A cultural clearance has not been completed for this area and you are advised to protect any cultural and paleontological resources encountered according to the Federal regulations at 43 CFR 3809.2-2 (e).
- 2) Activities and surface reclamation will be conducted in accordance with the standards found in the Federal regulations at 43 CFR 3809.1-3, and with the State of Utah, Division of Oil, Gas and Mining rules at R647-1 through R647-5.
- 3) We concur with the State of Utah, Division of Oil, Gas and Mining clarifications as listed in their letter of January 2, 2001, specifically; that grubbed vegetation remain in the soil stockpile rather than be burned, and that pit high walls be left at slope of less than 45 degrees.
- 4) You must contact this office if you are planning to make any modification to your existing notice.

We want you to know that the surface management regulations at 43 CFR 3809 have been revised, and that the final regulations became effective as of January 22, 2002. These differ substantially from the previous surface management regulations which were in effect at the time of your notice, and while not retroactive, they will apply to any substantial modification of your notice, as well as to any new proposal for mining operations.

Please notify the Moab Field Office as soon as surface reclamation is complete so that a compliance inspection can be conducted. If you have any questions, please contact Denice Swanke of my staff at (435) 259-2141.

Sincerely,

/s/ William Stringer

Assistant Field Manager
Division of Resources

1 Enclosure:
As stated

cc: Paul Baker ✓
Utah Department of Natural Resources
Division of Oil, Gas and Mining
Box 145801
Salt Lake City, Utah 84114-5801